

Approved: 4-29-06
Date

MINUTES OF THE SENATE FEDERAL AND STATE AFFAIRS COMMITTEE

The meeting was called to order by Chairman Pete Brungardt at 10:30 a.m. on March 14, 2006 in Room 231-N of the Capitol.

All members were present except:

Senator Dennis Wilson- excused

Committee staff present:

Athena Andaya, Kansas Legislative Research Department
Dennis Hodgins, Kansas Legislative Research Department
Mary Ann Torrence, Revisor of Statutes Office
Connie Burns, Committee Secretary

Conferees appearing before the committee:

Tuck Duncan, Kansas Wine and Spirits Wholesalers Association

Others attending:

See attached list.

Tuck Duncan, Kansas Wine and Spirits Wholesalers Association, appeared before the committee to request a bill introduction on flavored malt beverage relating to taxation and labeling.

Senator O'Connor made the motion that the request should be introduced as a committee bill. Senator Reitz seconded the motion. The motion carried.

Senator Brownlee requested a bill introduction concerning state high school activities association and directing the board of directors to conduct a study relating to the governance of such association.

Senator Brownlee made the motion that the request should be introduced as a committee bill. Senator O'Connor seconded the motion. The motion carried.

Final action:

SB 587 - Kansas expanded lottery act; authorizing casinos, electronic and video gaming and other games at certain locations

Senator Hensley provided the committee with a balloon amendment that starts on page 9 of the bill. (Attachment 1) On page 9, line 5 and page 24 line 4 by striking "state general fund" and inserting "Kansas education opportunity trust fund established by section 39, and amendments thereto", and striking in line 6 , page 9 and line 2 on page 24 "local ad valorem tax reduction fund created by KSA 79-2959" and inserting "Kansas gaming revenue property tax relief fund established by section 38", striking "to the state general fund and the local ad valorem tax reduction" on page 24 on lines 11 ,12, 21 and 22, page 35 lines 14 and 15 striking "state general fund and the local ad valorem tax reduction" and inserting "Kansas education opportunity trust fund and the Kansas gaming revenue property tax relief." Page 16 line 21 and 22 striking "to the state general fund". Inserting new section 31, new section 38 and new section 39 and renumber sections and amend cross-references accordingly.

Senator Hensley moved the balloon amendment. Senator Vratil seconded the motion. On a roll call vote the balloon amendment failed 4 - 4. Yeas: Brungardt, Gilstrap, Hensley, Vratil.

Nays: Brownlee, O'Connor, Ostmeyer, Reitz.

Senator Vratil provided the committee with an amendment starting on page 10 of the bill. (Attachment 2) The amendment would have a 5 year moratorium of the state entering into management contracts for more lottery gaming facilities or similar gaming facilities.

Senator Vratil moved the amendment. Senator Hensley seconded the motion. The motion carried.

Senator Vratil's next amendment would lower the number of slots at pari-mutuel from 7,000 to 5,000 where ever it appears in the bill.

Senator Vratil moved the amendment. Senator Hensley seconded the motion. The motion carried.

Senator Hensley provided an amendment with language that a person who is the manager of the racetrack gaming facility may not be eligible to be a manager of a lottery gaming facility in a nonexclusive gaming zone, and a manager of the lottery gaming facility may not be eligible to be a manager of a racetrack gaming facility in a nonexclusive gaming zone. (Attachment 3)

Senator Hensley moved the amendment. Senator Vratil seconded the motion. The motion carried.

Senator Reitz moved to reconsider the original Hensley balloon amendment which started on page 9 of the bill. Senator Hensley seconded the motion. The motion carried.

Senator Hensley moved his original balloon amendment. Senator Gilstrap seconded the motion. The motion carried.

There was committee discussion on the contract, location and type of destination casinos to be built. The moratorium language would be written into the management contract of the destination casinos, location and plans would be submitted in bids.

Senator Vratil moved to pass **SB 587** out favorably as amended without recommendation to the Senate. Senator Gilstrap seconded the motion. The motion carried.

The meeting was adjourned at 11:30 am. The next scheduled meeting is March 15, 2006.